

To: Hon. Arnetta McRae, Chairperson
Public Service Commission
Dover, Delaware

Re: CESI's proposed edits to Order No. 7246, PSC Docket No. 06-241

From: William Zak, Citizens for Clean Power, Lewes, Delaware

Date: August 7, 2007

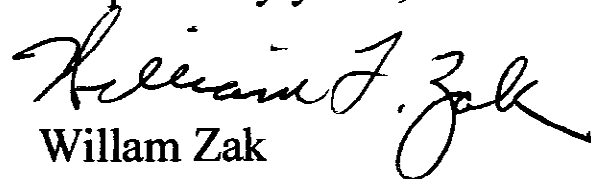
Dear Chairperson McRae and fellow Commissioners:

Citizens for Clean Power has reviewed CESI's proposed edits to Order No. 7246. CESI's Petition for Rehearing and Reconsideration plainly asserts that price was the "essential criterion of EURSCA" [Par. 40; see also Par. 35], and that the Commission erred as a matter of law in not applying the criterion of "price as the controlling factor of EURCSA..." [Par. 50]

In rejecting CESI's contentions, the Commission's proposed Order 7246 correctly recognizes and includes CESI's objections set forth above within its rationale for rejecting the Petition. Although we disagree wholeheartedly with CESI's original Motion, Citizens for Clean Power believes that the allegation set forth by CESI regarding price as the "essential" and "controlling" factor is material, and must not be deleted from the Order. To do so could create confusion and ambiguity should this matter be subject to later review on appeal.

Accordingly, Citizens for Clean Power supports proposed Order No. 7246 as written.

Respectfully yours,


William Zak

Subject: Re: 06-241 Revised CESI Order

From: Green Delaware <greendel@dca.net>

Date: Tue, 07 Aug 2007 09:45:51 -0400

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At 09:54 AM 8/7/2007, Howatt Robert (DOS) wrote:

Please be advised that a revised CESI Order No. 7246, as attached, will be presented for Commission consideration today. Only change that I'm aware of is in Paragraph 5.

Bob Howatt
Delaware Public Service Commission
(302) 736-7564

Dear All:

- (1) I am out-of-town and unable to attend today's Commission meeting. Please excuse our absence.
- (2) We have reviewed the revised Order No. 7246. Many additional points could be made, but insofar as the Order goes, it seems substantially correct and we agree with the conclusions. **Therefore we ask the Staff to convey to the Commission our support for the Order as now written.**
- (3) I cannot resist noting that many of us objected to the RFP "'scoring criteria" as approved by the Commission. Fortunately the Agencies were able to work within these criteria towards an appropriate decision. However, the process might have been clearer, easier, and more difficult to obstruct with appeals had the "scoring criteria" been refined.
- (4) The Delaware Public Service Commission, like utility regulatory bodies generally, has a long and unfortunate history of considering "price" too much and "cost" too little. (Such as the cost in health damage of power plant pollution). It appears that the Commission, with some support from the other Agencies, is progressing towards a more balanced and responsible view of energy supply. This is bound to make CESI and other abusive power plant operators uncomfortable, but the Agencies need to "stick to their guns."
- (5) We note that CESI is appealing a DNREC regulation calling for a partial cleanup of some existing units at the Edge Moor Power Plant ("Hay Road," proposed site of another "combined cycle" gas unit which is the CESI bid entry in the RFP process, is in reality part of the Edge Moor site). **Unless and until CESI withdraws its appeals and indicates clearly that it intends to comply with Delaware's environmental laws and regulations, it should not be considered for new generation facilities.**

If this note raises any question, please contact us at (cell) 302.299.6783.

Respectfully,

Alan Muller

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